

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2003

	May-03				April-03				March-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Allocation		Quarter		Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	6/30/2002	6/30/2002
LARGE CAP DOMESTIC EQUITY																								
<i>Structured Growth</i>																								
AllianceBernstein	142,400	2.8%	2.3%	3.11%	138,166	2.8%	2.3%	7.08%	127,347	2.7%	2.3%	-0.09%	90,682	1.9%	2.3%	2.89%	88,119	1.9%	2.3%	-13.54%	-1.87%	-28.65%	-16.80%	N/A
Russell 1000 Growth				4.99%				7.39%				-1.07%				7.15%				-15.05%	1.53%	-26.49%	-16.15%	N/A
<i>Structured Value</i>																								
LSV	114,117	2.2%	2.3%	8.88%	104,896	2.1%	2.3%	7.97%	95,907	2.0%	2.3%	-5.73%	101,706	2.1%	2.3%	6.53%	95,492	2.1%	2.3%	-18.60%	-3.91%	2.41%	5.40%	N/A
Russell 1000 Value				6.46%				8.80%				-4.86%				9.22%				-18.77%	-2.24%	-8.96%	-2.92%	N/A
<i>S&P 500 Index</i>																								
State Street	551,935	10.8%	10.5%	5.26%	524,347	10.6%	10.5%	8.26%	478,114	10.1%	10.5%	-3.17%	473,725	10.0%	10.5%	8.41%	436,958	9.6%	10.5%	-17.26%	-1.03%	-18.03%	-9.27%	3.58%
S&P 500				5.27%				8.24%				-3.15%				8.44%				-17.28%	-1.01%	-17.99%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	808,452	15.8%	15.0%	5.36%	767,409	15.6%	15.0%	8.00%	701,367	14.8%	15.0%	-3.02%	666,113	14.0%	15.0%	7.34%	620,568	13.6%	15.0%	-16.96%	-1.63%	-16.89%	-8.30%	3.74%
S&P 500				5.27%				8.24%				-3.15%				8.44%				-17.28%	-1.01%	-17.99%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY																								
<i>Manager-of-Managers</i>																								
SEI	283,729	5.6%	5.0%	10.55%	256,744	5.2%	5.0%	9.39%	217,222	4.6%	5.0%	-4.21%	226,769	4.8%	5.0%	4.91%	216,166	4.7%	5.0%	-19.31%	-1.94%	-11.77%	N/A	N/A
Russell 2000 + 200bp				10.90%				9.65%				-4.00%				6.68%				-20.97%	-1.58%	-7.96%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	283,729	5.6%	5.0%	10.55%	256,744	5.2%	5.0%	9.39%	217,222	4.6%	5.0%	-4.21%	226,769	4.8%	5.0%	4.91%	216,166	4.7%	5.0%	-19.31%	-1.94%	-11.69%	2.22%	4.32%
Russell 2000				10.73%				9.48%				-4.49%				6.16%				-21.40%	-3.38%	-8.59%	1.67%	4.44%
CONVERTIBLES																								
TCW	528,601	10.3%	10.0%	4.96%	503,331	10.2%	10.0%	6.19%	490,295	10.3%	10.0%	1.16%	484,597	10.2%	10.0%	8.15%	448,073	9.8%	10.0%	-10.05%	9.69%	-20.37%	-2.22%	N/A
First Boston Convertible Index				4.44%				5.25%				3.82%				9.83%				-8.47%	14.72%	-12.44%	0.11%	N/A
INTERNATIONAL EQUITY																								
<i>Large Cap - Active</i>																								
Capital Guardian	482,799	9.4%	9.0%	4.06%	463,068	9.4%	9.0%	9.84%	393,793	8.3%	9.0%	-10.00%	437,480	9.2%	9.0%	7.30%	408,577	9.0%	10.0%	-20.58%	-12.33%	-12.10%	-2.96%	2.87%
MSCI EAFE - 50% Hedged				4.41%				9.18%				-9.03%				4.04%				-20.02%	-13.71%	-14.62%	-7.32%	-1.89%
<i>Small Cap - Value</i>																								
Lazard	55,797	1.1%	1.0%	8.37%	52,685	1.1%	1.0%	10.52%	44,334	0.9%	1.0%	-7.11%	47,790	1.0%	1.0%	N/A	-	0.0%	10.0%	N/A	N/A	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				8.40%				8.30%				-2.09%				N/A				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	538,597	10.5%	10.0%	4.49%	515,753	10.5%	10.0%	9.91%	438,127	9.2%	10.0%	-9.71%	485,271	10.2%	10.0%	7.81%	408,577	9.0%	10.0%	-20.58%	-11.22%	-12.10%	-2.96%	2.87%
MSCI EAFE - 50% Hedged				4.41%				9.18%				-9.03%				4.04%				-20.02%	-13.71%	-14.62%	-7.32%	-1.89%
DOMESTIC FIXED INCOME																								
<i>Core Bond</i>																								
Western Asset	1,246,780	24.4%	25.0%	2.12%	1,222,846	24.8%	25.0%	1.70%	1,243,291	26.2%	25.0%	2.16%	1,260,272	26.5%	25.0%	2.96%	1,229,080	26.9%	25.0%	3.51%	13.08%	8.36%	8.53%	7.80%
Lehman Aggregate				1.86%				0.83%				1.39%				1.57%				4.58%	10.61%	8.62%	8.10%	7.57%
<i>Index</i>																								
Bank of ND	688,848	13.5%	15.0%	2.77%	667,951	13.5%	15.0%	1.05%	683,444	14.4%	15.0%	1.65%	668,538	14.1%	15.0%	1.65%	688,481	15.1%	15.0%	5.96%	13.69%	8.38%	7.79%	7.42%
Bank of ND CD'S	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	5.04%	5.55%	5.48%
Total Index	688,848	13.5%	15.0%	2.77%	667,951	13.5%	15.0%	1.05%	683,444	14.4%	15.0%	1.65%	668,538	14.1%	15.0%	1.65%	688,481	15.1%	15.0%	5.96%	13.69%	8.14%	7.66%	7.30%
Lehman Gov/Credit				2.84%				1.07%				1.65%				1.73%				5.70%	13.60%	8.24%	7.86%	7.47%
<i>BBB Average Quality</i>																								
Strong	539,379	10.6%	10.0%	3.38%	522,270	10.6%	10.0%	2.62%	526,601	11.1%	10.0%	3.29%	506,945	10.7%	10.0%	4.48%	487,305	10.7%	10.0%	3.08%	18.01%	N/A	N/A	N/A
Lehman US Credit BAA				3.72%				2.77%				3.40%				4.59%				2.70%	18.39%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	2,475,006	48.4%	50.0%	2.57%	2,413,067	48.9%	50.0%	1.72%	2,453,336	51.7%	50.0%	1.63%	2,435,755	51.2%	50.0%	2.89%	2,404,866	52.7%	50.0%	4.11%	10.73%	7.55%	7.88%	7.42%
Lehman Gov/Credit				2.84%				1.07%				1.65%				1.73%				5.70%	13.60%	8.24%	7.86%	7.47%
CASH EQUIVALENTS																								
<i>Bank of ND</i>																								
90 Day T-Bill	474,983	9.3%	10.0%	0.11%	474,611	9.6%	10.0%	0.11%	441,481	9.3%	10.0%	0.35%	459,252	9.7%	10.0%	0.41%	465,531	10.2%	10.0%	0.48%	1.47%	2.41%	4.76%	4.99%
				0.10%				0.09%				0.30%				0.43%				0.45%	1.38%	2.63%	4.68%	4.84%
TOTAL BONDING FUND	5,109,368	100.00%	100.00%	3.63%	4,930,916	100.00%	100.00%	4.07%	4,741,827	100.00%	100.00%	-0.30%	4,757,758	100.00%	100.00%	4.21%	4,563,781	100.00%	100.00%	-4.50%	7.01%	-2.86%	2.87%	6.19%
POLICY TARGET BENCHMARK				3.60%				3.60%				-0.30%				3.96%				-3.96%	6.84%	-1.19%	2.83%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.